



April 10, 2012

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

RE: Correction to Kennebec Telephone Company's Erroneous Regression Analysis Data Inputs; *Connect America Fund*, WC Docket, No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Lifeline and Linkup*, WC Docket No. 03-109, *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch:

Kennebec Telephone Company, Inc. ("Kennebec") respectfully submits this letter to request that the Commission correct erroneous data inputs assigned to Kennebec by the Commission in the course of conducting regression analysis calculations. The underlying data inputs assigned to Kennebec contained significant errors. These errors resulted in Kennebec being improperly subjected to capital and operating expense caps under 47 C.F.R. § 54.302. The caps, as applied to Kennebec, would result in significant, immediate and irreparable financial harm to the company's operation.

Kennebec has provided several forms of notification to the Commission of the flawed data and the significant financial harm that would result to the company if the data were not corrected:

- Kennebec participated in the February 17, 2012 reply comment filing of the South Dakota Telecommunications Association. In that filing, SDTA informed the Commission that due to geographical mapping data errors the Commission's input file reported 305,633 square miles as the land area served by Kennebec Telephone. The actual size of Kennebec Telephone's service area is 742 square miles. The housing units for Kennebec as identified or listed by the FCC's data deviated significantly from the actual number. The Commission's input file contains 528 housing units while the actual number of housing units reported by Kennebec is 623.<sup>1</sup>
- On March 2, 2012, Kennebec sent a letter (attached) to the Commission reiterating its concern that incorrect data was being relied upon for purposes of determining future high cost funding distributions. Further, Kennebec requested information about the process the Commission had in place to allow affected companies the opportunity to correct the data inputs used in the regression analysis. No response has been received as of the date of this letter.
- On March 19, 2012, Kennebec participated in a meeting (Ex Parte Notice attached) with Commission WCB staff. Kennebec again expressed concern that given the magnitude of the errors in the input data, Kennebec was most likely placed in an incorrect group of "similarly situated" peer companies. Kennebec attempted to illustrate to the Commission how incorrect placement could lead to devastating financial impacts to the company.
- In a later meeting on March 30, 2012, the Commission informed the National Telecommunications Cooperative Association that companies needing data corrections should meet with the Commission to get the erroneous information corrected.

<sup>1</sup> See, Reply Comments of SDTA, *In the Matter of Connect America Fund*, WC Docket No. 10-90, *et. al.* Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, (Rel. Nov. 18, 2011) at p. 23.

Since Kennebec has previously met with the Commission on March 19, 2012 and brought the underlying data errors to light, Kennebec requests that the Commission correct Kennebec's data inputs in accordance with the information attached to this letter, certifying the correct total land area and housing units and recalculate the support amounts with the amended information. Attached herein, Kennebec provides considerable documentation certifying the total square miles and housing unit data the Commission should utilize.

With the July 1, 2012 implementation date nearing, Kennebec has an immediate need to ascertain whether, and/or how, the company will be impacted under the implementation of the regression analysis framework. Kennebec plans to take further action to resolve the data errors if the corrections are not confirmed by April 30, 2012.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rod Bowar", with a long horizontal flourish extending to the right.

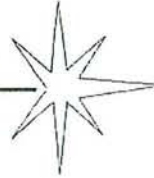
Rod Bowar  
President/General Manager  
Kennebec Telephone Company

Attachment(s)

cc: Carol Matthey  
Sharon Gillett  
Michael Steffen  
Angela Kronenberg  
Christine Kurth

  
**KENNEBEC TELEPHONE CO., INC.**

P.O. Box 158 - 220 S. Main  
Kennebec SD 57544  
605-869-2220 fax 605-869-2221



FILED/ACCEPTED

MAR 5 2012

Federal Communications Commission  
Office of the Secretary

March 2, 2012

**VIA EMAIL**

Ms. Amy Bender  
Deputy Division Chief  
Wireline Competition Bureau  
Federal Communications Commission  
445 12th Street, SW  
Washington, DC 20554

WC: 10-90  
GN: 09-51  
WC: 07-135  
WC: 05-337  
CC: 01-92  
CC: 96-45  
WC: 03-109  
WT: 10-208

Re: *WC Docket No. 10-90, Connect America Fund; GN Docket No. 09-51, National Broadband Plan for our Future; WC Docket No. 07-135, Establishing Just and Reasonable Rates for Local Exchange Carriers; WC Docket No. 05-337, High-Cost Universal Service Support; CC Docket No. 01-92, Developing a Unified Inter-carrier Compensation Regime; CC Docket No. 96-45, Federal State Joint Board on Universal Service; WC Docket No. 03-109, Lifeline and Link-Up, Universal Service Reform – Mobility Fund, WT Docket No. 10-208*

Dear Ms. Bender:

Kennebec Telephone Company is a rate-of-return regulated rural telephone company and a member of the South Dakota Telecommunications Association (SDTA) and we presently have concerns with the accuracy of certain input data being used by the Commission in its statistical or "Regression Analysis" model that is proposed for use in limiting ROR carrier capital and operating expense recovery. Our concerns were briefly mentioned in recent comments filed by SDTA in the above referenced docketed proceedings (see SDTA Reply Comments dated February 17, 2012, pp. 22-23).

More specifically, to this point, we have discovered that the geographical mapping data used as an input in the model for the Kennebec Telephone Company rural service area is substantially inaccurate. The Commission's input file contains 305.633 square miles as the land area served by Kennebec Telephone. The actual size of our service area or study area is 742 square miles. The prospect that this inaccurate data may be relied on for purposes of determining future high cost funding distributions to Kennebec Telephone is a matter of great concern and we would like to have some assurances that the incorrect input data will be corrected. Accordingly, we would ask at this time what process, if any, is in place to allow for such corrections and whether any additional action is expected of Kennebec Telephone as part of this process.

Q 41

We are hoping that the Commission has already taken steps to correct these errors with the model input data, but certainly would like to know if more information is expected of us in order to facilitate the necessary data corrections.

Please feel free to contact me directly with any information you have on this matter (at 605-869-2220). We are also certainly willing to meet with anyone at the Commission on this matter, if that is desired.

Sincerely,

/s/ Rod Bowar

Rod Bowar

CEO/President/General Manager

Kennebec Telephone Company, Inc.



NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

*The Voice of Rural Telecommunications*

www.ntca.org

March 21, 2012

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**Re:** *Connect America Fund, WC Docket, No. 10-90, National Broadband Plan for Our Future, GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers, 07-135, High-Cost Universal Service Support, WC Docket No. 05-337, Developing a Unified Inter-carrier Compensation Regime, CC Docket No. 01-92*

Dear Ms. Dortch:

On March 19, 2012, Rod Bowar of Kennebec Telephone (Kennebec), Jerry Reisenauer of West River Telephone Cooperative Telephone (West River), Richard Coit of the South Dakota Association of Telephone Cooperatives, Dan Caldwell and Rhonda Maun of Consortia Consulting, and the undersigned (collectively, the Companies) met with Amy Bender, Patrick Halley, Katie King, Gary Siegel, James Eisner, and Rodger Woock of the Wireline Competition Bureau (collectively, Staff) to discuss the above-referenced proceedings.

The Companies explained that data underlying the proposed regression analysis and relating to Kennebec and West River are incorrect. Specifically, Kennebec explained that although it serves **623** housing units within **742** square miles, the data relied upon by the Commission avers that Kennebec serves **528** housing units within **305** square miles. Similarly, West River explained that although it serves **3,526** housing units within **6,209** square miles, Commission data avers that West River serves **564** housing units within **261** square miles. The Companies expressed their concern that the errors by factors of 2.4x and 23.8x, respectively, could lead to placement of the Companies in an incorrect group of “similarly situated” peers. The Companies explained that those incorrect placements could lead to devastating financial impacts for each company.

In response to the Companies’ concern regarding the need to correct the errors, Staff asked whether the Companies would be willing to participate in data collection activities that would investigate study areas and service area boundaries; Kennebec and West River stated that they would agree to participate in such an effort to correct the errors. Noting the impending July 2012 timeline for adoption of new regulations based on the regression analysis, however, the

NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION

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Phone/703-351-2000 • Fax/703-351-2001 • www.ntca.org

Ms. Marlene H. Dortch  
March 21, 2012  
Page Two

Companies asked how the errors could be corrected in the near term. In response, Staff stated the Companies have been preceded by other entities identifying errors of a similar nature, and advised the Companies that entities seeking correction of the Commission data should file a waiver. The Companies expressed their position that a less-burdensome process would be far better suited to the task of correcting a plain and verifiable data error; the Companies further proposed that a waiver process (particularly one as burdensome and intensive as that contemplated in the October 27, 2011, Order in the above-captioned dockets) is more suited to a situation in which the underlying "facts in evidence" are not disputed. In contrast, the instant situation contemplates a data correction that can be achieved in a comparatively streamlined manner.

In further discussion, Staff explained that since the model functions upon a premise of projective geometry, correction of the errors relating to the Companies' respective service areas would implicate *de facto* the accuracy of other service areas. The Companies acknowledged the "butterfly theory" impact that correction of data relating to their service areas might engender, but reiterated that the incorrect data was not of their creation and that the Commission's reliance upon it would harm the Companies; moreover, such reliance by the Commission would, by definition, result in a model that was patently erroneous in its distributions across potentially wide swaths of the industry.

In support of their discussion, the Companies relied upon the attached presentation.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office.

Please do not hesitate to contact me at (703) 351-2035 or [jseidemann@ntca.org](mailto:jseidemann@ntca.org) if you have any questions or require additional information.

Respectfully submitted,

/s/ Joshua Seidemann  
Joshua Seidemann  
Director of Policy

Attachment

cc: Amy Bender  
Patrick Halley  
Katie King  
Gary Siegel  
James Eisner  
Roger Woock

# **West River and Kennebec**

## **Erroneous Data = Unintended Consequences**

Meeting with FCC WCB

March 19, 2011 – 4pm ET

Jerry Reisenauer, West River General Manager

Rod Bowar, Kennebec General Manager/Owner

# Meeting Premise

- West River and Kennebec, two rural South Dakota ILECs, have discovered inaccurate mapping data in the FCC's quantile regression model.
- With the limited details available to us, we believe the identified input errors have improperly reduced their HCLS eligibility.
- With no process defined for error correction, these companies face serious financial harm – we seek your assistance in correcting these errors and the unintended consequences.



**West River Cooperative Telephone Company Exchanges**

The map displays the following exchanges and their locations:

- Camp Crook Exchange:** Located in the northwest, near Willard, Fkalaka, and Abion.
- Buffalo Exchange:** Located in the west-central area, near Buffalo, Capitol, and Alzada.
- Sorum Exchange:** Located in the central area, near Sorum, Prairie City, and Bison.
- Bison Exchange:** Located in the east-central area, near Bison, Prairie City, and Sorum.
- Meadow Exchange:** Located in the east, near Meadow, Dupree, and Lantry.
- Lemmon Exchange:** Located in the northeast, near Lemmon, Morristown, and McIntosh.
- Newell Exchange:** Located in the south-central area, near Newell, Nisland, and Spearfish.
- Nisland Exchange:** Located in the southwest, near Nisland, Belle Fourche, and Spearfish.

Major highways shown include US-12, US-105, US-212, and US-90. Neighboring states are North Dakota, Montana, and Wyoming.

Not to Scale

# Algorithm Categories “Capped”

- West River

- C&WF - Gross Plant (AL1)
  - Land Area = second most significant coefficient
- C&WF - Depreciation and Amortization (AL17)
  - Land Area = second most significant coefficient

- Kennebec

- Materials and Supplies (AL7)
  - Land Area = second most significant coefficient
- C&WF - Maintenance Expense (AL13)
  - Land Area = second most significant coefficient
- C&WF - General Support Expense (AL15)
  - Land Area = second most significant coefficient

# Possible Impacts of Erroneous Data

- With the square mile data of the two companies in error by factors of 23.8x and 2.4x respectively, the companies may be in the wrong group of “similarly situated” peers.
- With Land Area as the second most significant coefficient in every algorithm category that was capped, correction of all mapping errors would yield different results.
- While these specific errors may or may not be mathematically significant to the model, they are financially harmful to West River and Kennebec.

# Financial Consequences

- As a result of the inaccurate inputs, West River and Kennebec will not be eligible for redistributed HCL support under the new order.
- West River loses approximately **\$600k** in annualized incremental HCL support eligibility, while Kennebec loses approximately **\$60k** in support eligibility.
- The amount of the forfeited HCL support due to these errors, combined with the consequences of other policy changes such as lost LSS, results in significant financial harm to both companies.

# Error Correction Process Needed

- No process for correction of input errors is defined in the order.
- West River and Kennebec, impacted by data errors outside their control, should not have to face the cost, or uncertainty, of a waiver process to get their inaccurate data corrected.
- Examples of other data corrections from the Attachment to Sharon Gillett's February 21<sup>st</sup> peer review charge letter:
  - Addition of Allband census data
  - 3 study areas excluded from the regression
  - Addition of Guam and American Samoa
  - Exclusion of 25 cost companies with frozen support
- How do we get the inaccurate data corrected?

# West River Gross Plant Analysis (AL1)

## The 70 Study Areas w/ between 3,000 and 4,000 Loops

SAC	Study Area Name	ST	SACPL	Loops	Land Area sq. miles	Housing Units	C&WF Gross Plant	Rank if GP per Loop	Rank if GP per Sq.mi./Loop
391689	WEST RIVER COOP	SD	1,856	3,479	6,209	3,526	33,830,604	1	62
452179	GILA RIVER TELECOM.	AZ	2,686	3,658	677	3,298	31,807,257	2	23
431988	DOBSON TEL CO	OK	2,095	3,492	2,432	4,109	27,301,001	3	58
411780	HAVILAND TEL CO	KS	1,739	3,212	1,497	3,330	20,445,176	4	55
421890	GREEN HILLS TEL CORP	MO	1,425	3,262	838	4,180	19,406,586	5	48
320759	DAVIESS-MARTIN/RTC	IN	1,300	3,073	196	2,878	17,671,001	6	13
361501	WEST CENTRAL TEL	MN	1,575	3,523	805	5,164	20,157,840	7	44
341025	SHAWNEE TEL. CO.	IL	1,808	3,702	509	4,380	20,797,055	8	25
391685	VALLEY TELECOMM.	SD	1,476	3,227	2,344	3,404	18,025,777	9	60
330918	NELSON TEL COOP	WI	1,170	3,714	388	3,525	20,557,498	10	20
391647	CHEYENNE RIVER SIOUX	SD	1,097	3,112	4,714	2,785	17,158,439	11	65
431994	GRAND TEL CO INC	OK	1,287	3,265	110	4,004	18,000,919	12	3
421914	MARK TWAIN RURAL TEL	MO	1,087	3,713	1,021	4,316	20,043,819	13	49
411833	SOUTHERN KANSAS TEL	KS	1,798	3,998	1,457	4,548	20,675,720	14	52
381631	RED RIVER RURAL TEL	ND	1,056	3,529	1,605	4,374	18,022,197	15	57
330908	MARQUETTE-ADAMS COOP	WI	1,480	3,278	184	4,324	16,413,825	16	11
341047	MCDONOUGH TEL COOP	IL	1,327	3,610	671	4,532	17,702,088	17	41
442116	MUENSTER DBA NORTEX	TX	1,267	3,847	472	4,009	18,156,997	18	26
351129	CITIZENS MUTUAL TEL	IA	959	3,401	435	3,420	15,789,299	19	34
421917	MID-MISSOURI TEL CO	MO	1,296	3,469	714	3,834	15,947,669	20	47

If Gross Plant is analyzed solely based on loop counts, West River is the highest cost SA of the 70 SAs between 3,000 and 4,000 loops. **If line density is considered, West River is among the lowest cost SAs in the group of 70 (#62).**

A similar analysis of Depreciation Expense (AL17) ranks West River #1 based solely on loops and # 58 based on line density.

To determine line density for this analysis, we divided total Gross Plant investment by the quotient of square miles served/loops. **West River's network covers 1.78 square miles of study area for each loop. The peer group average is 0.53 square miles.**

The West River Sorum exchange covers 1,368 square miles and serves 159 access lines, 8.6 square miles per loop.

# Kennebec Materials & Supply Analysis (AL7)

## 160 Study Areas w/ less than 1,000 Loops

SAC	SANAME	ST	SACPL	Loops	Materials & Supplies	Maint. Expense	Gen Supp. Expense	Land area Sq. Miles	Housing Units	Rank if by Loops	Rank if by sqmi/Loop
442073	BORDER TO BORDER	TX	15,868	96	66,947	15,347	47,649	472	115	1	97
432029	TERRAL TEL CO	OK	5,077	217	120,255	64,213	51,477	52	314	2	13
462178	AGATE MUTUAL TEL CO	CO	4,530	113	45,921	67,365	26,109	418	178	3	98
610989	ADAK TEL UTILITY	AK	12,822	151	59,816	152,847	141,893	759	500	4	100
371557	HARTMAN TEL EXCH INC	NE	2,799	466	137,581	135,005	32,678	637	437	5	36
300598	MCCLURE TEL CO	OH	1,974	587	124,847	31,103	14,511	34	753	6	2
431831	S. CENTRAL TEL - OK	OK	5,443	297	60,510	89,363	25,683	150	242	7	30
472233	RURAL TEL CO - ID	ID	2,530	684	115,123	217,035	53,284	3,864	1,491	8	86
351130	CLARENCE TEL CO	IA	1,559	643	80,421	37,840	37,942	83	729	9	11
341045	LEAF RIVER TEL CO	IL	1,929	405	50,626	187,658	31,516	51	603	10	15
442066	DELL TEL. CO-OP - TX	TX	6,624	833	99,477	260,200	137,371	7,395	1,044	11	103
462195	SOUTH PARK TEL. CO.	CO	6,116	167	19,689	5,839	17,921	169	402	12	88
532390	OREGON-IDAHO UTIL.	OR	2,986	662	71,252	175,952	55,372	4,931	1,438	13	107
<b>391668</b>	<b>KENNEBEC TEL CO</b>	<b>SD</b>	<b>2,258</b>	<b>743</b>	<b>79,724</b>	<b>215,450</b>	<b>125,695</b>	<b>742</b>	<b>528</b>	<b>14</b>	<b>46</b>
351105	AYRSHIRE FARMERS MUT	IA	1,353	255	26,770	28,733	15,128	95	318	15	51
442065	CUMBY TEL COOP INC	TX	903	747	77,039	49,213	7,150	50	738	16	4
482254	SOUTHERN MONTANA TEL	MT	2,902	956	80,029	67,010	18,661	3,205	1,031	17	82
462202	ROGGEN TEL COOP CO	CO	1,985	232	19,289	11,372	18,105	204	244	18	84
452191	ACCIPITER DBA ZONA	AZ	6,709	521	43,044	59,343	40,071	30	58	19	7
150085	CROWN POINT TEL CORP	NY	1,080	833	67,021	164,905	19,314	81	1,148	20	9

If Materials and Supplies are analyzed solely based on loop counts, Kennebec is in the Top 10% of the 160 companies with less than 1,000 loops. If line density is considered, Kennebec falls to #46 in the group of 160.

A similar analysis of Maintenance Expense ranks Kennebec #17 based solely on loops and #76 based on line density. (AL13)

To determine line density for this analysis, we divided total Gross Plant investment by the quotient of square miles served/loops. Kennebec serves one customer for every one square mile of service area.

A similar analysis of General Support Expense ranks Kennebec #13 based solely on loops and #55 based on line density. (AL15)

# Peer Review Comments

- Tracy Waldon, Media Bureau
  - “...in its current form, the Appendix does not make a convincing argument that the existing explanatory variables are sufficient to adequately determine similarly situated study areas.”
  - “The process by which firms produce telecom services is fairly well known. Existing knowledge about that production process from engineering models and studies may provide the best guidance in regards to which factors are the most significant cost drivers.”
- Paroma Sanyal, Economist OSP
  - “...one may think about using an alternative variable, such as loop length, which may be a better predictor of cost than simple loop counts.”
  - “Arguably, the cost of the one long loop will be greater than the cost of a short loop, and thus using the number of loops as a covariate distorts the cost predictions on the long-loop carrier.”

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109
	)	
Universal Service Reform – Mobility Fund	)	WT Docket No. 10-208

**AFFIDAVIT OF ROD BOWAR  
IN SUPPORT OF  
KENNEBEC TELEPHONE COMPANY, INC.'S  
REQUEST FOR DATA CORRECTION**

I, Rod Bowar, being of lawful age and duly sworn, state as follows:

1. My name is Rod Bowar. My business address is 220 South Main Street, P.O. Box 158, Kennebec, SD 57544. My title is President/General Manager of Kennebec Telephone Company, Inc. ("Kennebec") and I have worked for the company in a management capacity since 1980. I am responsible for overseeing the daily operations of Kennebec, regulatory affairs, project development, network deployment decisions and general management duties of the company.

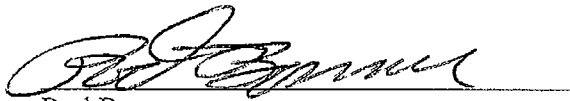
2. I submit this affidavit in support of Kennebec Telephone Company, Inc.'s Request for Data Correction.
3. I hereby verify that as the President/General Manger of Kennebec, I have reviewed the documentation submitted in support of Kennebec's Request for Data Correction and verify the accuracy of the information submitted.
4. The underlying data inputs used by the Commission to conduct the regression analysis calculations contained significant errors. The Commission's data input file indicated 305.633 square miles as the land area served by Kennebec, containing 528 housing units.
5. As established by the attached documentation, Kennebec's total service area was previously communicated to the Commission as 742 square miles. However, based upon the telephone service area boundary maps on file with the South Dakota Public Utilities Commission, I hereby verify that the actual land area served by Kennebec is 746.872 square miles, in which Kennebec actually serves 623 housing units.
6. Working with various industry associations, I, as President/General Manger of Kennebec, have made several concerted efforts to bring the incorrect data to the Commission's attention, including highlighting the incorrect data in comments filed by the South Dakota Telecommunications Association on February 17, 2012, filing a written ex parte on March 2, 2012, and participating in an ex parte meeting at the Commission on March 19, 2012.
7. To date, despite repeated attempts on the part of Kennebec to get the errors remedied, including an in-person, ex parte meeting at the Commission on March 19, 2012, the Commission has not corrected Kennebec's data errors. If left uncorrected, the erroneous

data upon which the Commission relied will result in significant reductions to  
Kennebec's universal service support.

8. This completes my affidavit.

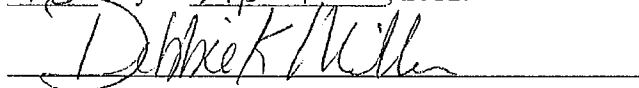
### VERIFICATION

I, Rod Bowar, declare under penalty of perjury that the statements in this  
Affidavit are true and correct to the best of my knowledge and belief.



Rod Bowar  
President/General Manager  
Kennebec Telephone Company, Inc.  
220 South Main Street  
P.O. Box 158  
Kennebec, SD 57544

Subscribed and sworn to before me, this  
12<sup>th</sup> day of April, 2012.



Debbie Miller (Printed Name)

Notary Public, Lyman County, South Dakota

Acting in the County of Lyman

**MY COMMISSION  
EXPIRES MARCH 2, 2018**

My Commission Expires: \_\_\_\_\_



**AFFIDAVIT OF BRIAN P. ROUNDS**

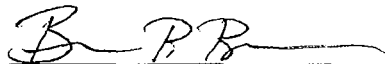
STATE OF SOUTH DAKOTA       )  
  ) ss  
COUNTY OF HUGHES        )

Brian P. Rounds, being first duly sworn under oath, states and alleges as follows:


1. My name is Brian P. Rounds. I am a utility analyst with the South Dakota Public Utilities Commission ("SDPUC"). I have a Bachelor of Science Degree in Electrical Engineering. I have also been trained in the Geographic Information System ("GIS") software in use by the State of South Dakota.
2. Kennebec Telephone Co., Inc. ("Kennebec Telephone") is a rural incumbent local exchange company operating in South Dakota.
3. I projected the telephone service area boundary maps on file with the SDPUC into our GIS software to calculate the area of Kennebec's territory. My calculations of the service area of Kennebec Telephone are based on the result of these calculations, records on file with the SDPUC, and discussions with representatives of Kennebec Telephone and representatives of an adjacent telephone company to the extent map boundaries were not in perfect alignment with each other.
4. Based on my calculations, Kennebec Telephone has an area of 746.872 square miles. Attached is a map of the territory, labeled Exhibit A.

AFFIANT SAYS NOTHING FUTHER.

Dated this 6<sup>th</sup> of April, 2012.

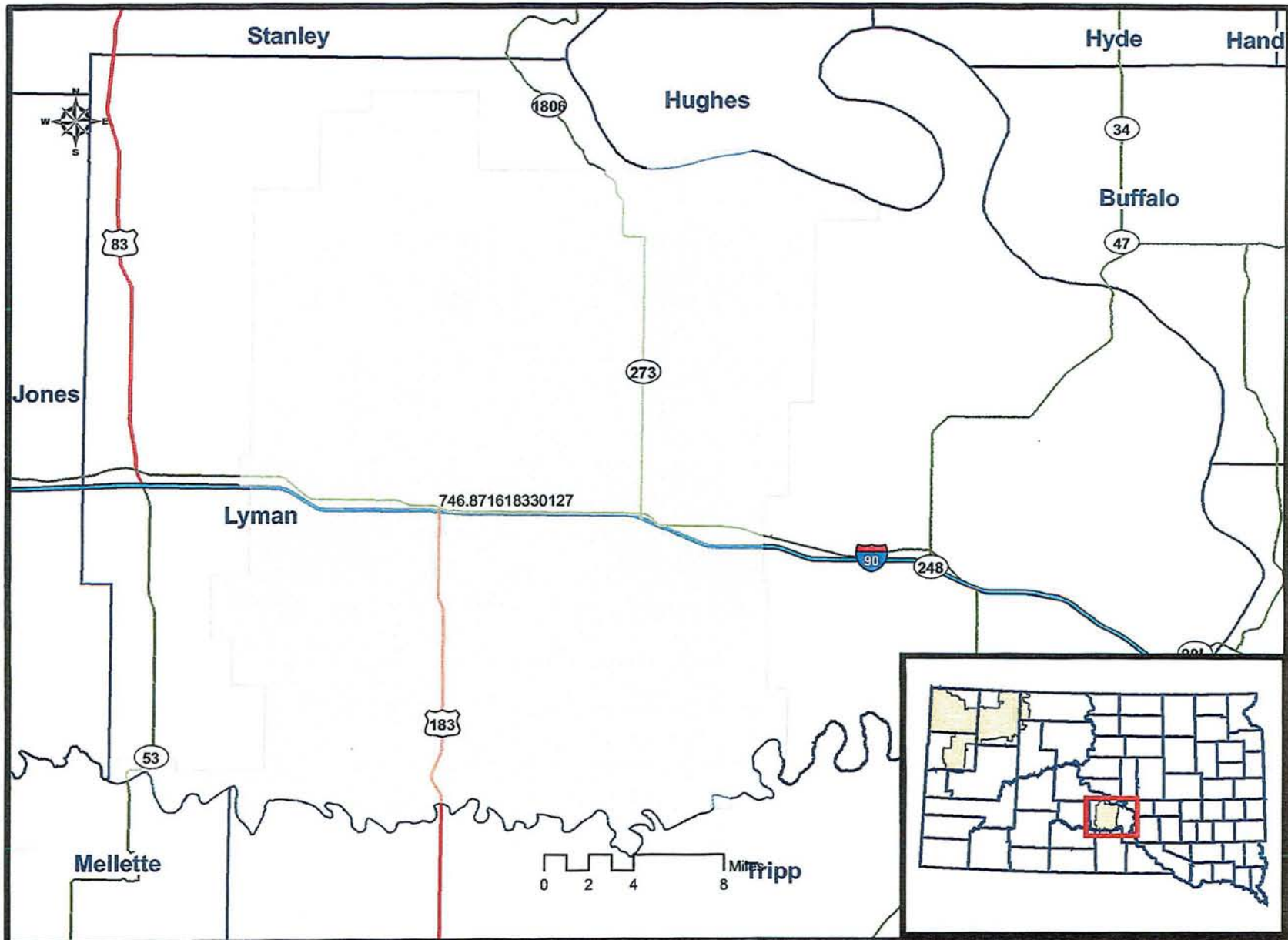
  
\_\_\_\_\_  
Brian P. Rounds

Subscribed and sworn to before me,  
this 6<sup>th</sup> day of April, 2012.

  
\_\_\_\_\_  
Notary Public

TINA DOUGLAS  
My Commission Expires  
April 14, 2017

# Kennebec Telephone Company, Inc.



Drafted by Brian P. Rounds - 4/6/2012



Chris Nelson, Chair  
Kristie Fiegen, Vice Chair  
Gary Hanson, Commissioner

## **SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

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April 10, 2012

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Dear Ms. Dortch:

Kennebec Telephone Company, a rural telecommunications and broadband service provider integral in serving the rural areas and residents of South Dakota, has brought to my attention its concerns regarding the incorrect data inputs used by the Federal Communications Commission to determine the distribution of universal service support.

I am familiar with the geographical areas served by Kennebec and can verify that the total square miles, as reported in the Commission's data files for Kennebec's service area, are vastly underreported.

I am supportive of the Commission taking corrective action to amend the data input numbers in accordance with the certified documentation provided by the South Dakota Public Utilities Commission. Brian Rounds from the SDPUC has prepared an affidavit containing the correct service area total for Kennebec Telephone Company.

It is troubling that the FCC would rely on data inputs which are faulty for such an important computation as is being accomplished with the regression analysis. I ask that you utilize the accurate data which this Commission has provided.

Thank you for your consideration.

Sincerely,

Chris Nelson,  
Chairman

cc: Carol Matthey  
Sharon Gillett  
Michael Steffen  
Angela Kronenberg  
Christine Kurth